

Wayne Allard

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ALLARD SAYS MORTGAGE CREDIT SCORE LEGISLATION WILL BENEFIT COLORADO CONSUMERS BILL REQUIRES MORTGAGE LENDERS AND REPORTING AGENCIES TO DISCLOSE CREDIT SCORES TO CONSUMERS

Denver, CO. – U.S. Senator Wayne Allard (R-CO) said that legislation he has introduced to require mortgage lenders and reporting agencies to disclose credit scores for home mortgages to consumers could benefit tens of thousands of Coloradans who annually apply for a mortgage loan. His claims were backed up by Colorado Board of REALTORS and several consumer groups. His bill has been endorsed by the National Association of REALTORS, U.S. PIRG and the Consumers Union.

“It is wrong for mortgage credit scores to be kept secret from consumers,” Allard said. “Consumers have a right to know their score and how they can improve their credit score.”

Allard’s bill, the Consumer Credit Score Disclosure Act of 2001, would require all mortgage lenders and credit reporting agencies to provide full disclosure of their credit score used to determine the credit worthiness of a mortgage applicant. The bill is co-sponsored by Senator Charles Schumer (D-NY).

“This legislation will benefit every Colorado consumer seeking a mortgage loan,” added Allard. “It will give valuable information to consumers shopping for a mortgage and give others the important information they need to improve their score in order to qualify for a mortgage.”

Currently, almost 80% of all mortgages lending decisions now use credit scores as the primary determinant of an individual’s credit risk, according to E-LOAN, an Internet mortgage company that would like to see the mortgage application process become more open. Specifically, lenders use the credit score to determine whether to extend a loan to an applicant and to make pricing decisions regarding the rates and terms of the loan.

“Home buying power lies in the consumer’s credit score,” said Tom Schack, President of the Colorado Association of Realtors. “It has been critical to prospective homebuyers to qualify for the best interest rate, which can mean a lower home payment and less of a chance the consumer will default.”

“This is the ultimate pocketbook issue,” added Frank Torres with the Consumers Union. “Money gets taken out of the pocketbooks of millions of Americans everyday due to the inability of consumers to obtain their credit score.”

